

*North Carolina
Department of Health and Human Services
Annual Compensation Report*

April 2007



This Report Highlights:

- Employee Demographics
- Turnover & Retention Data
- Market Salary Data
- Economic Conditions

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2007 DHHS Compensation Report

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DHHS Compensation Report

Executive Summary

Background

- Information in this report is based on 2006 data except for projections.
- This is the fourth consecutive annual compensation report produced by DHHS - Human Resources.
- Over the past four years, DHHS-HR has placed an emphasis on gathering and tracking employee salary data in order to improve our salaries and decrease turnover.
- DHHS has a widely diverse workforce in many lines of business which requires continual tracking with the markets in which we compete for talent.
- A market approach to pay requires an analysis of market conditions related to recruitment and retention of staff on a regular basis.
- A new statewide HR/Payroll system will be implemented in 2008 which will greatly improve management's ability to access information needed to make HR decisions.
- In addition, the Office of State Personnel is working with SAS on the creation of a tool that will allow managers to predict their workforce planning needs.
- Career banding, a market approach to classification and pay, has been implemented in three areas - Law Enforcement, Information Technology and Social Research.

Workforce Highlights

- The Department of Health and Human Services employs 16,736 permanent full-time employees which represents approximately 19% of the state's overall workforce of 89,034.
- Approximately 10%, 1,617 employees, of the DHHS workforce is within 5 years of retirement.

Turnover and Retention

- DHHS processes more than 96,500 applications per year.
- On average, DHHS takes 112 days to fill a vacated position (from the date position is vacated to the date filled).
- There has been an increase of 42% in the total number of Exit Interview Surveys completed in 2006 compared to 2005.
- The Recruitment Services Section has partnered with the Division of Information Resource Management (DIRM) to upgrade and enhance several features of the Applicant Tracking System and the Exit Interview Survey Program.
- DHHS employee total turnover for 2006, at 14%, decreased 1% from last year.
- Turnover is continually analyzed along with market pay data to make recommendations to the Office of State Personnel. Based on market analysis, the following classifications received salary adjustments in 2006:
 - DMA Nurse
 - Mental Retardation Habilitation Coordinator
 - Regional Alcohol Rehabilitation Center Director

Economic Outlook

- Economic conditions in North Carolina continued to improve in 2006.
- North Carolina's unemployment level was 4.5% at the end of 2006.
- Inflation (Consumer Price Index) stood at 4.1% at the end of 2006 compared to 3.4% at the end of 2005.
- Market survey data indicates that employers will be implementing on average a 3.6% salary increase for 2007.

Salary Data

- Total 2006 payroll for DHHS was \$671,902,649.
- Approximately 1.3%, or \$8,801,308, was spent on employee increases in 2006.

- The average DHHS employee salary in 2006 was \$38,239, a 6.3% increase over last year. This is significant since the cost of living adjustment was 5.5%, showing a gain of almost 1%. This means DHHS salaries increased by at least 3% beyond the rate of inflation for last year.
- DHHS received over five million dollars from the governor's salary adjustment fund for 2006 which funded SMR's, range revisions and reallocations.
- A 5.5% legislative increase was awarded for 2006/07 which was approximately a 3.5% increase from 2005/06.
- Market salary data indicates the following jobs to be vulnerable with regard to pay and will undergo a thorough market analysis in 2007:
 - Clinical Dietitian
 - Rehabilitation Counselor (On-Going)
 - X-Ray Technician
 - Speech & Language Pathologists
 - Audiologists
 - Physical Therapy Assistants
 - Occupational Therapy Assistants
 - Cytotechnologists
 - Physicians

Human Resources Commitment

- The Division of Human Resources is committed to collecting and analyzing important information (e.g., market data, exit interview data) to proactively address human resource issues so that services in the agency do not suffer.
- DHHS will continue to provide resources to special statewide initiatives such as the new HR/Payroll system.

Introduction & Background

Purpose

The purpose of this report is to convey trends, key findings, and salary data derived from surveys and reports which are used to determine if the salaries of DHHS employees are competitive in the labor market - both public and private.

History

In the early 1990's, the State of North Carolina developed and implemented a Comprehensive Compensation System (CCS) to ensure a systematic approach for employees to move through the salary range for their particular job classification to avoid pay stagnation. Such programs as Cost of Living Adjustments (COLA), Career Growth Recognition Awards (CGRA), and Performance Bonuses were the primary tools used to award pay increases to staff. More information about the CCS can be found on the Office of State Personnel's website at:

http://www.osp.state.nc.us/CompWebSite/Compensation_Web_Site.html

Since the mid 1990s, the state has not been able to actually implement many components of the CCS. For that reason, the salaries of state employees have fallen behind other employers. As we attempt to attract, motivate and retain employees, DHHS pays close attention to the salaries of its employees. In many cases, DHHS competes for scarce talent, especially in the medical and technical categories, and it is critical to keep salaries competitive with the market in order to attract new talent and retain existing talent.

In 2006, the annual cost of living pay increase for state employees was 5.5% which was the highest it's been since the 1980's. Pay increases prior to 2006 were typically below the national average, and were many times less than 2%. In past years, the pay for state employees did not keep pace with the local market. While certainly the boost of 5.5% in 2006 was extremely helpful and appreciated, it still did not make up for the many years prior where increases were significantly behind other employers.

A New HR Information System

The Office of the State Controller, in conjunction with the Office of State Personnel, has employed Bearing Point Consulting to assist in the development and implementation of a new HR/Payroll System. Funding for the purchase of software was secured from the Legislature in 2005 and the vendor, SAP, was selected.

The “blueprint” phase of the project was completed in December, 2006. In 2007, the system will be designed and tested, and employees will be trained in the latter part of 2007. Many state agencies will “go live” in January 2008; however, DHHS will go live in the second wave which is scheduled for April, 2008. This new system, called BEACON (Building Enterprise Access for NC’s Core Operation Needs) will replace the existing legacy PMIS and Payroll systems, which have been in place for over 30 years.

BEACON will offer employees and managers the ability to access information. For more information on the BEACON project, see the website at www.beacon.nc.gov.

Career Banding, the competency based broadbanding system, was implemented in three areas over the past year: Information Technology, Law Enforcement, and Social Research. The legislature has requested a study of career banding before any other employee groups are “banded”. Results from the study will determine if the broadbanding approach will continue in North Carolina State Government.

HR Commitment

DHHS-HR continues to take a proactive approach to compensation by examining which classifications are vulnerable in the market. A list of benchmark jobs, Appendix A, is constantly maintained to track key classifications where deficiencies in the market cause significant difficulties in the recruitment and retention of employees. By closely examining the market position of pay programs and trends, recommendations are made to the Office of State Personnel to increase the rates of critical classifications.

The new BEACON system will be a valuable tool in allowing information to be collected and analyzed. From that data, decisions can be made in how DHHS will position itself in the market with respect to it’s market position and how it competes for employees.

Other report components include DHHS workforce highlights, the state’s economic outlook, salary data and HR’s future commitment regarding workforce availability and compensation.

Look for new turnover and retention information in this report. New sections of the report show applicant tracking and exit interview data.

DHHS Workforce Highlights

Workforce Demographics

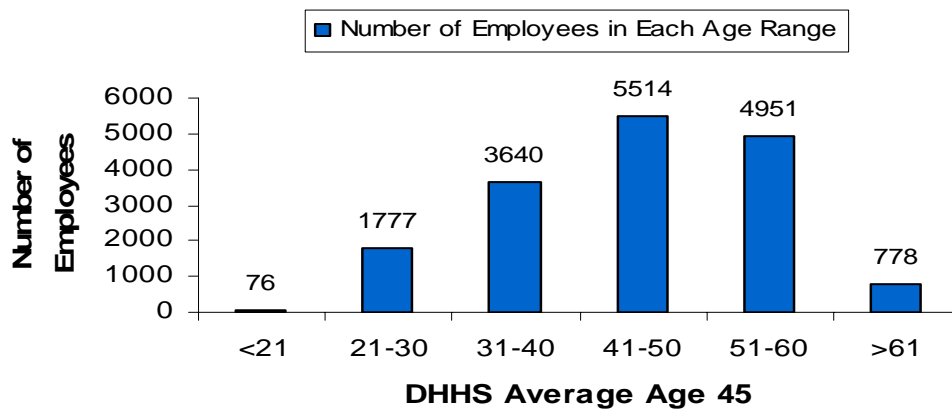
The Department of Health and Human Services employs 16,736 permanent full-time employees which represents approximately 19% of the state's overall workforce of 89,034. DHHS is the second largest agency in state government, with the Department of Correction being the largest. The charts on the following pages show the breakdown of DHHS employees by age, total state service, average months of service, education level, race and sex, grade level and salary. All charts exclude employees in the following categories: leave without pay (LWOP), temporaries, retirees, and students. These charts are effective December 31, 2006 from PMIS data.

The data is summarized below:

- 67% of the DHHS workforce is over the age of 40, with an overall average age of 45 years
- The average employee has approximately 11 years of service
- Approximately 1,617 employees (10%) are within five years of retirement
- 38% of the workforce possess a bachelor's degree or higher
- 73% of the DHHS workforce is female and 27% is male
- The DHHS workforce is 56.84% White; 40.6% Black; 1.29% Asian; 0.78% Hispanic; and 0.48% Indian
- The average salary grade is 64
- The average salary of the DHHS employee is \$38,239, a 6.3% increase over 2005

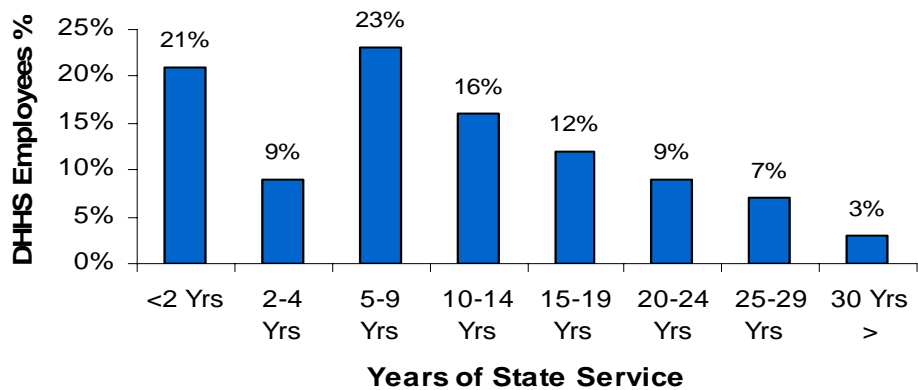
See the following charts for a visual representation of this data.

DHHS Employees by Age as of 12/31/06



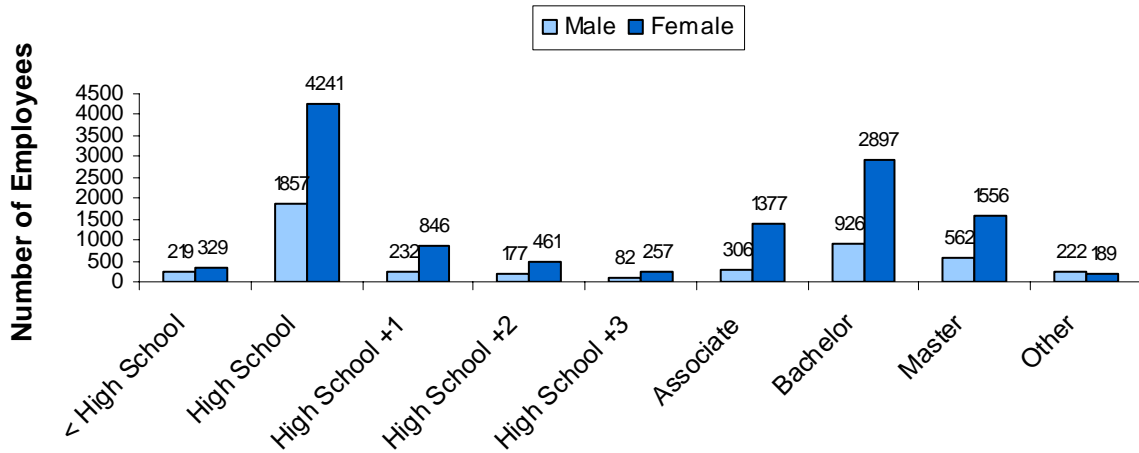
(Permanent Full-Time Employees Only PMIS)

DHHS Employees by State Service as of 12/31/06



(Permanent Full-Time Employees Only PMIS)

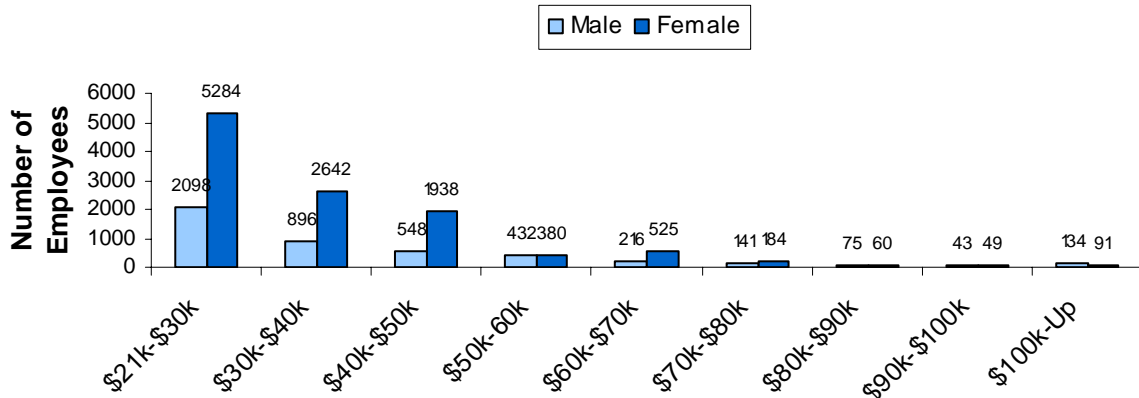
DHHS Employees by Selected Education Levels as of 12/31/06



Other includes Phd, Dentist, Medical Doctor, Lawyer and miscellaneous other

(Permanent Full-Time Employees Only PMIS)

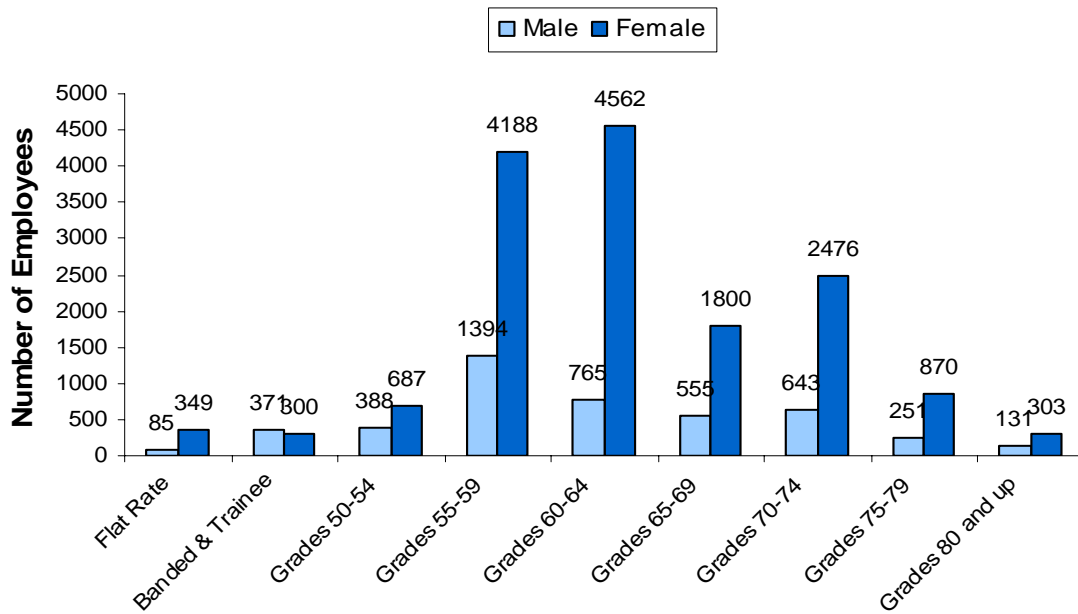
DHHS Employees by Gender and Salary as of 12/31/06



Average DHHS Salary \$38,239

(Permanent Full-Time Employees Only PMIS)

DHHS Employees by Grade as of 12/31/06



(Permanent Full Time Employees Only PMIS)

Turnover and Retention

One of the goals for Human Resources in 2007 is to improve retention throughout the department. The central Human Resources Office will conduct several workshops for human resource managers to assist them in improving retention in each respective division of DHHS. Two tools which are used to identify trends in attracting and retaining employees are the Applicant Tracking System and the on-line Exit Interviewing Process.

Applicant Tracking & Exit Interview Data:



The Applicant Tracking System (ATS) was designed to efficiently manage applicant tracking for all DHHS positions. Data entered into the ATS database has provided the following information:

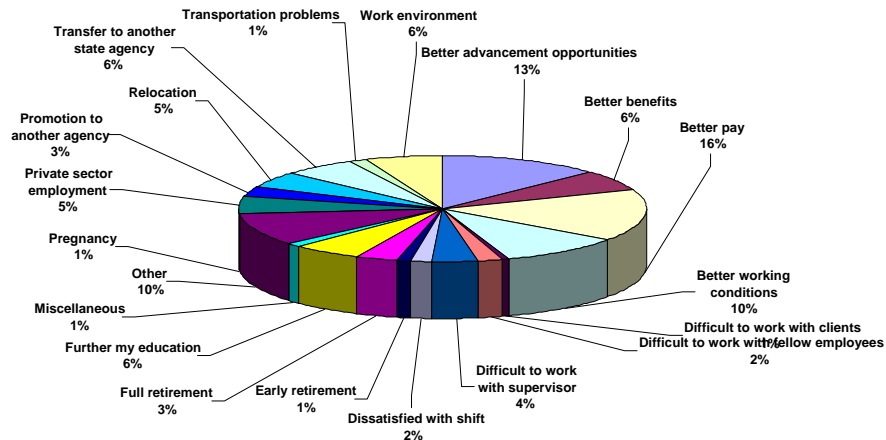
- DHHS processes more than 96,500 applications per year.
- Approximately 28% of all applications received do not meet minimum qualifications.
- On average, DHHS takes 112 days to fill a vacated position (from the time position is vacated to date filled.)
- The average recruitment period is 77 days (from the date position was posted to date filled.)
- Average HR evaluation and screening process is 5 days.
- Our management selection process takes approximately 29 days (from the date applications are sent to the hiring manager to the date returned to HR with a selection recommendation.)

Input into the Exit Interview Survey (EIS) Program reflects the following top three reasons employees left DHHS in 2006:

- 1) Better pay (16%)
- 2) Better advancement opportunities (13%)
- 3) Better working conditions (10%)
- 4) Other -non-specified-(10%)

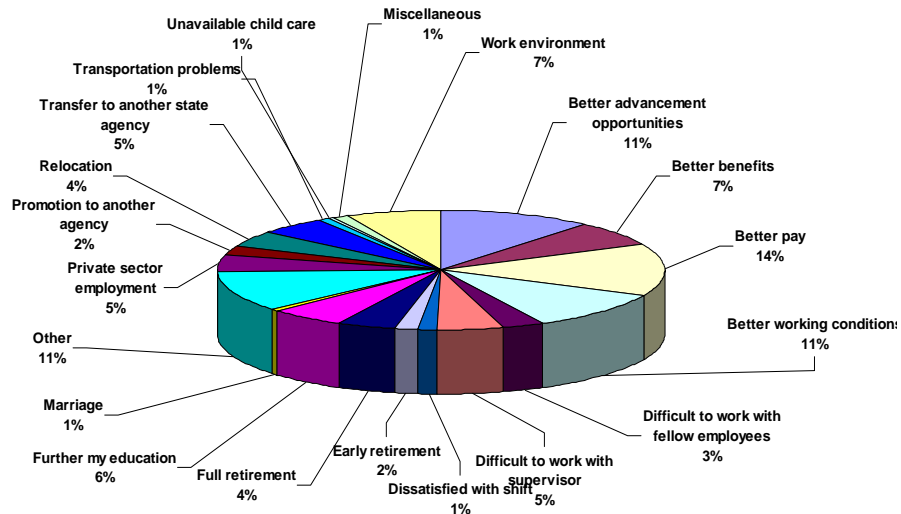
The charts on the following page show the breakdown of specific responses.

Reasons for Leaving DHHS During 2006 701 Exit Interview Surveys Completed



Miscellaneous category sub-factors include: 1) Unavailable Child care, 2) Marriage and long-term disability

Reasons for Leaving DHHS During 2005 493 Exit Interview Surveys Completed



Miscellaneous category sub-factors include 1) Unavailable elder/child care, 2) Marriage and long-term disability

Positive trends are noted in the use of the ATS and Exit Interview Programs:

- ATS processing timelines are decreasing and selection decisions are being made faster.
- The average time to screen applications has decreased by 1 day from 2005.
- The average time for hiring managers to make a selection decision has been reduced by 3 days from 2005.
- There has been an increase of 42% in the total number of Exit Interview Surveys completed in 2006 compared to 2005.

Feedback from ATS and EIS Users:

The Recruitment Services Section, of the Human Resources Division, conducted a User Satisfaction Survey in December 2006. The focus of this survey was to gain direct insight and understanding regarding the experiences of users in the Applicant Tracking System and the Exit Interview Survey Program.

The survey responses were very informative, and as a result of the feedback received from DHHS users, the Recruitment Services Section partnered with the Division of Information Resource Management (DIRM) to upgrade and enhance several features of ATS and EIS.

During the first phase of this project, the ATS system was the main focus. ATS received several enhancements including:

- An upgraded server for faster system response
- A more user-friendly layout of system interfaces
- Increased organization of system data
- Enhanced query and search capabilities
- Access to new data (previously inaccessible)

Additional upgrades and/or enhancements are expected in the near future.

Benefits

One of the goals for 2007 is to improve the marketing of state benefit programs to applicants. In 2006, the state implemented a new PPO health insurance plan for employees. This new plan should place our health care benefits in a more competitive position in the market.

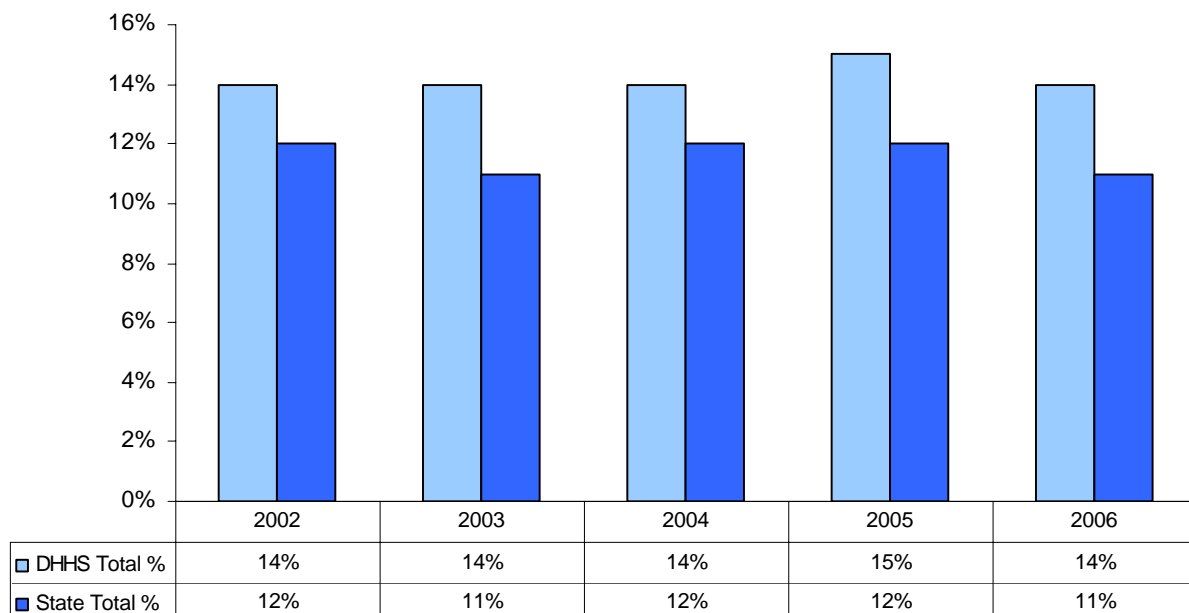
A set back which occurred in 2006 was the increase in the number of years before an employee becomes vested in the retirement system. While current employees are “grandfathered”, the increase from 5 to 20 years for full vestment of medical benefits has diminished the appeal of the retirement program to new hires.

Turnover Analysis

Turnover is tracked in a variety of ways and when supplemented with market pay data and actual recruitment scenarios, it can yield an overall picture of what a classification may be experiencing relative to the market. Analyzing turnover, both voluntary and involuntary within a classification, is a useful tool and can be an indicator of potential internal or external issues. Involuntary turnover occurs when employees vacate their position due to retirement, termination, etc. Voluntary turnover occurs when an employee chooses to leave state government altogether, usually to accept a position in the private sector or for personal reasons.

Turnover can sometimes indicate market problems, especially when a large number of staff in a particular job classification leave at an unusually high rate. The turnover chart below shows a five-year history of the overall DHHS total turnover rate as compared to the state total turnover rate.

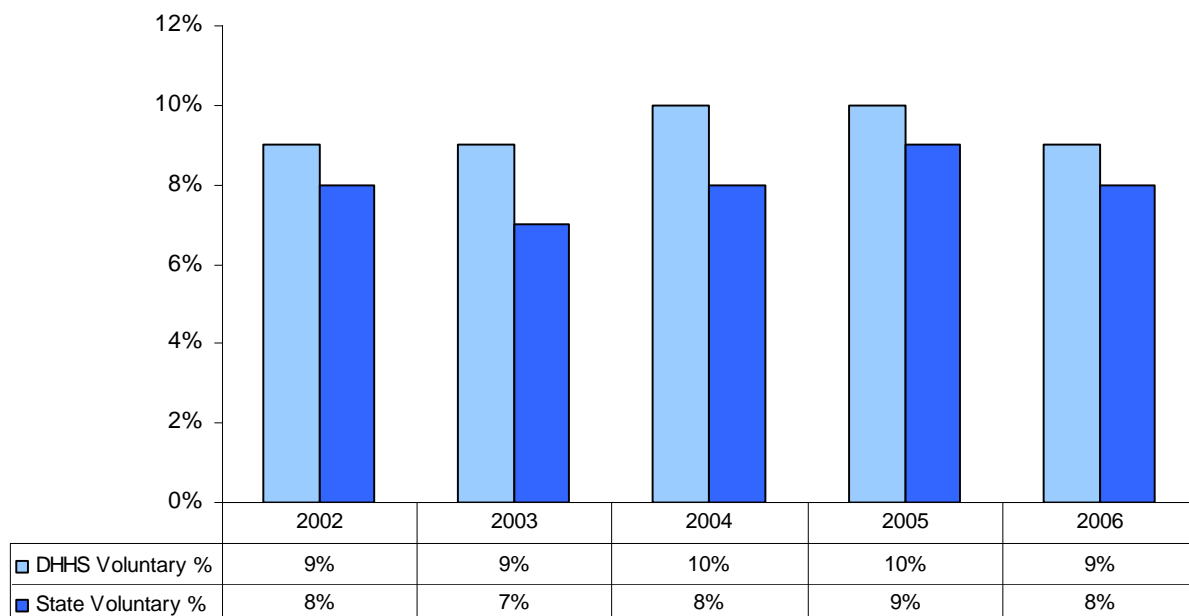
DHHS Annual Total Turnover Report



Source: PMIS

This data shows the DHHS total turnover rate to have decreased 1% from last year. DHHS total turnover remains 3 percentage points higher than the state average. The total State average turnover also decreased 1% from 2005. These figures include employee separations for all categories (retirement, terminations, etc.)

DHHS Annual Voluntary Turnover Report

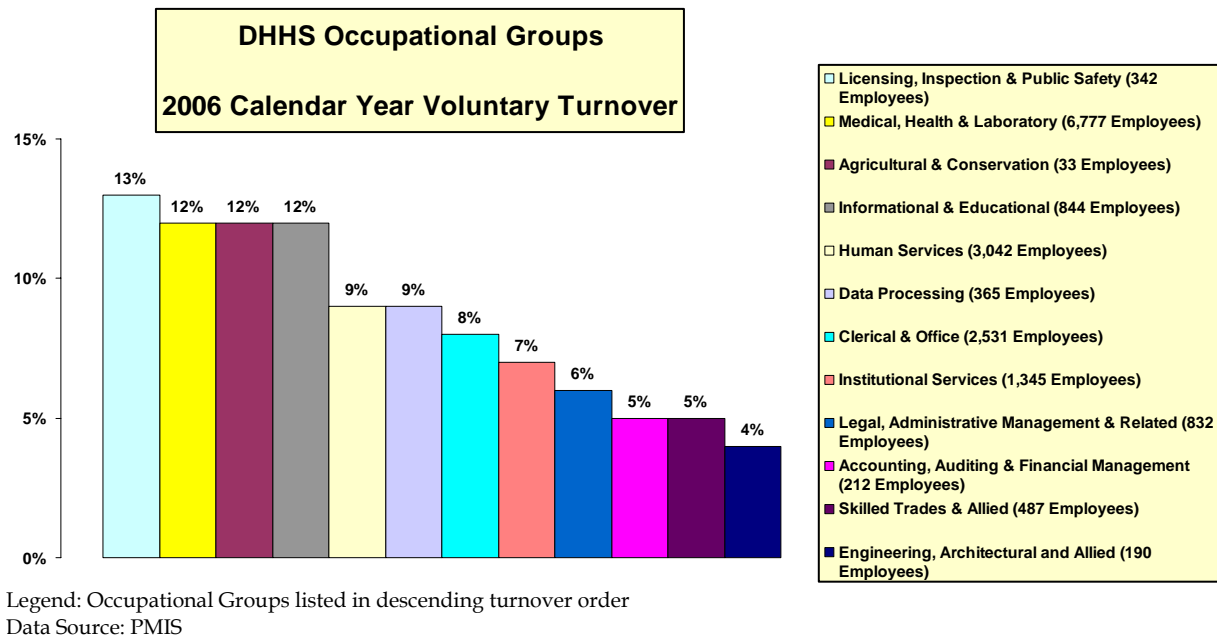


Source: PMIS

The voluntary (employees leaving state government willingly) turnover figures shown above for DHHS and State employees reflect a 1% decrease from last year (10% to 9% for DHHS and from 9% to 8% for State employees).

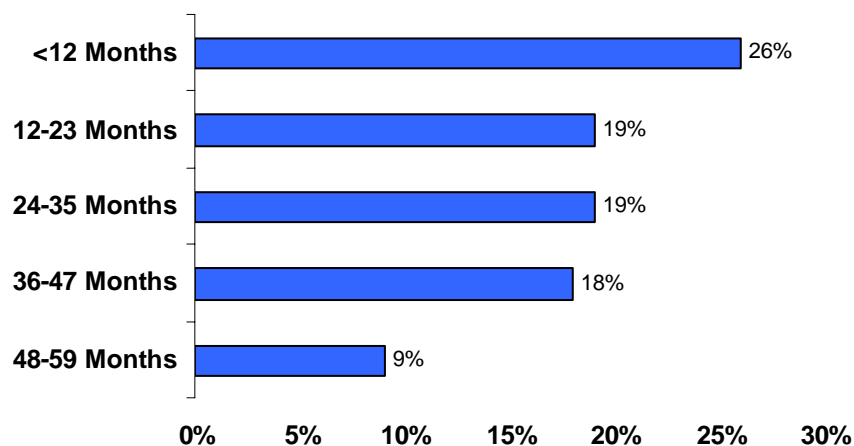
When higher than average turnover rates begin to appear in a particular classification, other relevant data is also examined to determine what steps need to occur to reduce the turnover and stabilize that particular employee group. For example, at the end of the calendar and fiscal year, a "25/12" report is produced which shows turnover figures for classifications with more than 25 employees with a voluntary turnover rate of 12% or more. Further steps are taken to prioritize the list and begin collecting additional data in order to address the situation.

Turnover Within Occupational Groups:



Turnover Attrition Data

2006 DHHS Employee Voluntary Attrition Data Aggregate Service Months At Time Of Separation*



Source: PMIS

*59% of all 2006 voluntary separations displayed-Includes only permanent full-time and part-time SPA/EPA positions and/or employees - retirements, dismissals, deaths and LWOP's are not included

- Fifty-nine per cent of voluntary separations for 2006 involved employees that had less than 5 years of service.
- The majority (26%) of voluntary separations in 2006 involved employees that had accumulated eleven months or less of aggregate service.
- HR is looking into strategies to address the high number of voluntary separations within the first year of employment. Some strategies include:
 - Pilot the use of *Targeted Selection*, a proprietary product from Development Dimensions International which uses a behavioral approach to job interviewing.
 - Improve the quality of hiring pools through improved recruitment methods.
 - Conduct Retention Workshops for HR and management staff.

Turnover Costs:

There were 1,656 DHHS voluntary separations in 2006. Based on the Department of Labor formula for costing out turnover, one-third of the employees salary, the DHHS turnover costs for 2006 were determined to be \$21,107,927. With a focus on retention, the cost of turnover can be reduced. For example, if turnover is decreased by 1% next year, the cost savings would amount to approximately \$200,640.

Economic Outlook

The North Carolina economy continued to improve in 2006. According to the *NC State Economist*, the North Carolina economy outperformed the nation's economy in 2006. Personal income increased by 2.1%; however, retail sales increases were slightly lower than that seen in 2005. Unemployment held steady despite the continued loss of traditional jobs in the areas of textiles, apparel, furniture, and tobacco. Other sectors such as pharmaceuticals, finance, and meat processing continue to grow and are now more important economic sectors in North Carolina than is tobacco.

The state's unemployment rate stood at 4.5% at the end of 2006 (down by 1% from 2005), and it is expected to drop further in 2007. The national unemployment rate at the end of 2006 stood at 4.4%. Those figures remained steady throughout the year.

The Consumer Price Index (CPI) measures changes in the cost of goods and services, otherwise known as inflation. By the end of 2006, the CPI national average was 4.1% compared to 3.4% at the end of 2005. The 2006 figure remains steady, but may increase in 2007 depending on the price of energy, especially oil and gasoline.

Overall, the North Carolina economy is expected to grow in 2007, but that growth will be slower than that seen in 2006. Faster growth is forecasted in urban areas, such as Charlotte and the Research Triangle, while slower growth is predicted for the rural regions of the state.

Each year several sources produce national salary surveys used to estimate employee pay raises for the following year. These salary projections can give an overall picture of how salary structures/budgets will move each year. Four of these sources are cited below.

SOURCE	PROJECTED INCREASE FOR 2007
Mercer	3.7
Conference Board	3.3
Hewitt	3.6
WorldatWork	3.8
Average	3.6

Overall, U.S. workers can expect a 3.6% pay raise in 2007. This figure is comparable to the projected increases from last year.

While the figures noted indicate that North Carolina's economy is strong, and projected pay increases are at 3.6%, the state may provide an increase below what is projected in the local market. For many occupations, that amount will place DHHS salaries behind the market.

Salary Data

DHHS Payroll Information

The following section summarizes salary dollars spent within the agency and outlines how DHHS employee pay compares to the market in which it competes, whether at the local, state or national level.

Each year, DHHS spends millions of dollars on employee salary actions. The total payroll for DHHS for 2006 was approximately \$671,902,649. The chart below shows how much money was spent in DHHS over the past four years by type of salary action.

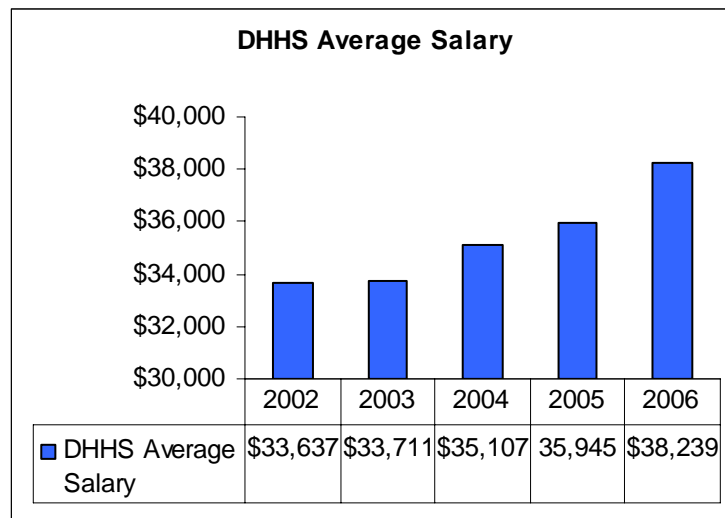
Type of Action	2003	2004	2005	2006
Promotions	\$3,099,991	\$3,413,846	\$3,663,417	\$3,385,917
Promo Increase after Effective Date	\$309,040	\$90,239	\$58,154	\$61,451
Range Revision – Employee	\$3,703	\$256,449	\$222,487	\$48,099
Range Revision Increase after Effective Date	\$1,743	\$37,817	\$202,935	\$244,751
Reallocation Up-Employee	\$1,398,863	\$1,311,596	\$1,355,546	\$1,007,664
Reallocation Increase	\$51,285	\$970,524	\$257,410	\$263,555
Special Entry Rate Incr.	\$264,510	\$1,551,615	\$1,813,995	\$1,734,279
In-Range Adjustments	\$1,129,531	\$2,380,637	\$1,196,010	\$1,668,315
Sal Adjustment – Retention	\$41,556	\$59,123	\$64,743	\$38,328
Sal Adjustment – Trainee	\$90,402	\$170,724	\$143,966	\$91,687
Sal Adjustment – Other	\$114,619	\$275,295	\$753,279	\$102,245
Sal Adjustment – Equity			\$152,000	\$155,017
Totals	\$6,505,243	\$10,517,865	\$8,689,128	\$8,801,308

Source: PMIS

This data indicates that DHHS spent approximately 1.3% of its total payroll on salary actions in 2006, a .3% decrease over last year.

The Salary Adjustment Fund provides the opportunity for DHHS to solicit funds to provide salary increases to staff where regular budget funds are not available. In 2006, DHHS received 5 million dollars from the fund which was used to fund salary increases for administrative support positions, and a variety of other medical and technical positions. This fund helps place our average salaries in a more competitive position and can improve retention in hard to recruit areas.

Because of the emphasis on a more competitive approach to pay, the average salary in DHHS increased 6% in 2006, 3.6% above the 2.4% growth in 2005. The chart below shows a five-year history of the average salary in DHHS.



Source: PMIS

Benchmark Jobs

The chart in Appendix A lists those jobs within DHHS that have been identified as a “benchmark.” Benchmark jobs are those that are easily tracked in the market based on the standard nature of the job, jobs that are heavily populated within DHHS, and those that are market sensitive.

The intent of the compensation program within DHHS – HR is to regularly track the market for these benchmark jobs in order to avoid loss of staff due to market conditions. Paying employees a competitive wage can improve retention. According to the Department of Labor, employee turnover cost equals one third of the employee’s salary; therefore, losing staff to other employers is costly to the agency. Implementing retention strategies (e.g., employee recognition, non-monetary rewards) should be a major focus for managers and a smart, cost-effective goal for the agency. Many retention surveys list salary as a lower priority for staff, behind other factors such as relationship with supervisor and lack of challenge in the work. Building strong communication between the supervisor and employee can go a long way in retaining employees within the agency.

Market salary data is collected from a variety of sources and then analyzed to compare the average salaries of DHHS employees to the average salaries of employees in a particular market region. The salary surveys were combined to produce an average market rate which has then been compared to DHHS salaries. The benchmark list that follows represents approximately 50% of the total DHHS employee population. Each

job classification listed on Appendix A shows the number of staff, and other relevant market factors for that classification.

By analyzing this information, the compensation staff can consult with management on salary priorities for the coming year. If a particular classification is experiencing high turnover, difficulties recruiting, and a significant variance in pay relative to the market, that classification can be targeted for a detailed market analysis. That specific market analysis can yield a recommendation for pay increases to staff using a variety of methods. Various tools such as Special Entry Rates, In-Range Salary Adjustments, and Geographic Differentials can provide short term relief for these types of problems, and a more long term approach (Range Revision) can be recommended to the Office of State Personnel.

Based on the analysis of information, the following benchmark jobs have been identified for further market analysis in 2007:

- Clinical Dietitian
- Rehabilitation Counselor (On-Going)
- X-Ray Technician
- Speech & Language Pathologists
- Audiologists
- Physical Therapy Assistants
- Occupational Therapy Assistants
- Cytotechnologists
- Physicians

The Human Resources office will continue to work closely with management to identify jobs that need to be reviewed.

History of Legislative Increases for NC State Employees 1992 - 2006

Year	Cost-of-Living Increase	Career Growth Increase	Bonus Increase
1992	\$522	0	0
1993	2%	0	1% bonus
1994	4%	0	1% bonus
1995	2%	0	0
1996	2.5%	2%	0
1997	2%	2%	0
1998	1%	2%	1% performance bonus
1999	1%	2%	\$125 performance bonus
2000	2.2%	2%	\$500 bonus
2001	\$625	0	0
2002	0	0	10 days leave
2003	0	0	\$500 bonus plus 10 days leave
2004	2.5% for salaries over \$40K; 0r \$1,000/yr for salaries under 40K	0	0
2005	2% increase for salaries over \$42,500; 0r \$850 year for salaries under \$42,500	0	5 days leave
2006	5.5%	0	0

2006 Pay Improvements:

DHHS presents information to the Office of State Personnel when a pay improvement is needed in a particular area. Other state agencies may also benefit from improved pay approvals when they have employees in the approved class. Classes populated by DHHS employees that have been approved by OSP for a pay improvement in 2006 are listed on the following page.

CLASSIFICATION	#DHHS EMPS	DHHS VOLUNTARY TURNOVER RATE 12/31/06	OSP ACTION TAKEN IN 2006
Boiler Operator I	15	27%	One-grade RR 2/1/06
Boiler Operator II	13	0%	One-grade RR 2/1/06
Boiler Operation Shift Superintendent II	5	0%	One-grade RR 2/1/06
Department Purchasing Agent I	4	0%	One-grade RR 2/1/06
Department Purchasing Agent II	4	0%	One-grade RR 2/1/06
Department Purchasing Officer I	6	0%	One-grade RR 2/1/06
Department Purchasing Officer II	2	0%	One-grade RR 2/1/06
Department Purchasing Officer IV	1	0%	One-grade RR 2/1/06
DMA Nurse I	35	0%	Two-grade RR 2/1/06
DMA Nurse II	16	0%	Two-grade RR 2/1/06
DMA Nurse Supervisor	5	0%	Two-grade RR 2/1/06
Electrician II	12	0%	One-grade RR 2/1/06
Electrician Supervisor I	1	0%	One-grade RR 2/1/06
Electrician Supervisor II	4	0%	One-grade RR 2/1/06
Mental Retardation Habilitation Coordinator I	17	0%	Two-grade RR 8/1/06
Mental Retardation Habilitation Coordinator II	112	11%	Two-grade RR 8/1/06
Mental Retardation Program Supervisor	4	20%	Two-grade RR 8/1/06
Mental Retardation Unit Director	28	4%	Two-grade RR 8/1/06
Nursing Education Director	1	0%	Two-grade RR 2/1/06
Nursing Education Instructor	8	29%	Two-grade RR 2/1/06
Nursing Eye Care Consultant	8	0%	Two-grade RR 2/1/06
Public Health Nursing Chief	1	0%	Two-grade RR 2/1/06
Public Health Veterinarian	1	100%	One-grade RR 12/1/06
Regional Alcohol Rehabilitation Center Director	2	0%	Two-grade RR 10/1/06
Steam Plant Supervisor I	2	0%	One-grade RR 2/1/06
Steam Plant Supervisor II	4	0%	One-grade RR 2/1/06
Upholsterer	6	0%	One-grade RR 2/1/06
Utilization Review Nurse Supervisor	3	0%	Two-grade RR 2/1/06

RR = Range Revision

Future Commitments

Based on the information contained in this report, the Central Office of Human Resources commits to the following:

Recruitment & Retention of Staff

- Continue to track local economic conditions that may impact recruitment and retention of staff.
- Consult with management on how to improve recruitment and retention.
- Conduct Retention workshops for HR offices and managers.
- Design and implement agency-wide recruitment strategies to address present and future staffing shortages.
- Implement improved recruitment tracking systems to gather recruitment and retention information.
- Analyze how the DHHS benefits package can be used to attract candidates.
- Encourage the use of exit interviews to assist in understanding employee turnover

Compensation

- Invest more resources for purchasing salary surveys to assist in tracking labor market salary data.
- Continue to gather and analyze market data to determine which job classifications are vulnerable in the market.
- Continue to make recommendations to the Office of State Personnel in cases where DHHS is experiencing difficulty with retention of staff due to compensation.
- Analyze the impact of special salary increase programs to determine their affect on turnover.
- Continue the aggressive use of the salary adjustment fund to assist in funding salary increases for staff.

APPENDIX A

DHHS AT A GLANCE

Division Code	Division Name	Total Empls	Avg Salary	Avg Pay Grade	Avg Age	Avg Svc Mos	Total Pos	Total Vacs	Vacancy %	Voluntary T/O CY 2006	Total T/O CY 2006	Total Seps CY 2006	Seps Within First 12 Mos	First Year Attrition Rate (Total Seps)
44-01	ADATC Blk Mt.	154	\$41,981	65	48	126	149	10	7%	15%	20%	27	9	33%
44-03	ADATC Gr	102	\$43,415	66	46	121	178	69	39%	21%	26%	28	4	14%
44-04	SCC	388	\$31,888	61	44	100	384	18	5%	14%	20%	69	22	32%
44-06	Blk Mt Center	426	\$31,016	61	43	98	440	20	5%	26%	32%	134	58	43%
44-10	Sec Office	700	\$53,074	68	47	145	812	118	15%	7%	11%	77	12	16%
44-11	Aging	54	\$51,310	72	50	187	59	6	10%	9%	21%	11	2	18%
44-20	DCD	270	\$40,342	69	44	132	296	26	9%	7%	10%	27	2	7%
44-24	Western School	212	\$33,707	59	45	147	200	19	10%	18%	24%	37	12	32%
44-25	Eastern School	188	\$32,032	59	46	140	207	28	14%	10%	11%	19	3	16%
44-27	Morehead Sch	148	\$34,929	59	47	151	153	11	7%	8%	15%	19	2	11%
44-31	Public Health	1,741	\$46,123	69	45	135	2110	388	18%	10%	13%	218	24	11%
44-40	Social Svcs	696	\$37,545	66	47	164	768	79	10%	9%	12%	80	10	13%
44-45	DMA	349	\$50,062	70	48	145	381	36	9%	5%	8%	27	2	7%
44-50	Svcs Blind	264	\$40,533	67	50	193	273	16	6%	6%	13%	35	2	6%
44-51	Svcs Deaf	65	\$37,918	66	44	97	68	3	4%	6%	12%	8	2	25%
44-60	Mental Health	210	\$57,122	72	49	157	214	7	3%	3%	5%	10	0	0%
44-62	Dix Hospital	1,070	\$40,269	63	46	126	1133	119	11%	14%	19%	189	43	23%
44-63	Broughton	1,225	\$35,158	62	43	123	1179	32	3%	10%	16%	178	40	22%
44-64	Cherry	1,048	\$36,758	62	45	141	1167	161	14%	7%	12%	118	16	14%
44-65	JUH	1,294	\$38,524	63	46	144	1277	144	11%	8%	12%	133	33	25%
44-66	JIRDC	995	\$32,224	60	43	124	977	35	4%	9%	16%	148	28	19%
44-67	O'Berry	1,069	\$31,227	61	44	134	1046	55	5%	9%	13%	120	28	23%
44-68	Murdoch	1,732	\$31,194	60	43	123	1730	57	3%	9%	13%	220	35	16%
44-69	Caswell	1,641	\$31,384	60	46	157	1646	76	5%	5%	10%	158	17	11%
44-70	DFS	442	\$51,063	72	49	129	483	43	9%	7%	11%	48	14	29%
44-80	VR	993	\$38,132	65	47	156	1057	86	8%	9%	13%	125	15	12%
44-81	DDS	538	\$44,745	67	41	126	660	126	19%	11%	14%	72	13	18%
44-99	DHHS	18,420	\$38,118	64	45	137	19,073	1,815	9%	9%	14%	2,379	451	19%

DHHS LABOR MARKET DATA SUMMARY
CALENDAR YEAR 2006 UPDATE

Benchmark Job	Schematic	Salary Grade	No. of Employees	Average Salary	Average Market	Labor Market Pay Gap	Vol TO Rate 12/06	Vacancy Rate 12/06
Accountant II	00702	75	63	\$53,422	\$46,310	13%	6%	10%
Administrative Secretary III	00429	62	25	\$35,915	\$38,158	-6%	4%	4%
Audiologist	05106	73	12	\$52,341	\$60,431	-15%	0%	0%
B & T Appls Tech (Banded)	12233		20	\$51,946	\$57,892	-11%	5%	5%
Child Day Care Program Specialist*	04020	70	131				6%	8%
Child Support Agent II	04087	65	168	\$31,807	\$28,990	9%	17%	10%
Clinical Dietitian I	05254	68	36	\$43,280	\$46,667	-8%	23%	6%
Clinical Pharmacist	04928	84	57	\$90,300	\$93,023	-3%	11%	2%
Clinical Social Worker	04164	72	115	\$50,824	\$51,788	-2%	16%	14%
Cook II	06804	55	85	\$24,193	\$22,900	5%	14%	5%
Cytotechnologist I	04630	72	10	\$49,760	\$56,150	-13%	10%	0%
Dental Assistant	04849	59	17	\$32,636	\$32,825	-1%	6%	0%
Dental Hygienist II	04874	70	54	\$50,289	\$52,212	-4%	2%	7%
Dentist II	04952	87	3	\$112,003	\$123,188	-10%	0%	33%
Developmental Disabilities Specialist*	04044	66	1				0%	0%
Disability Determination Specialist I	00271	67	145	\$37,571	\$35,754	5%	12%	31%
Facility Architect II	08748	77	10	\$69,298	\$51,966	25%	0%	23%
Facility Survey Consultant I*	05691	73	197				10%	10%
Food Service Assistant II	06832	52	270	\$23,267	\$19,150	18%	3%	6%
Health Care Technician I	05391	58	3,519	\$24,266	\$23,180	4%	11%	7%
Housekeeper	06622	50	443	\$22,058	\$20,304	8%	8%	4%
Infection Control Nurse	05004	72	3	\$52,769	\$60,900	-15%	33%	0%
Licensed Practical Nurse	34921	66-T	309	\$36,618	\$36,033	2%	12%	8%
Maintenance Mechanic III	07304	63	56	\$33,574	\$36,877	-10%	2%	9%
Medical Laboratory Technician I	04685	62	6	\$28,622	\$34,933	-22%	0%	0%
Medical Laboratory Technologist II	04678	70	47	\$43,774	\$47,629	-9%	9%	6%
Mental Retardation Hab Coord II	04073	72	111	\$45,742	\$49,076	-7%	11%	2%
Nurse B	34899	74-T	471	\$50,696	\$54,744	-8%	15%	16%
Nurse (RN) Lead	34898	73-T	248	\$48,724	\$51,433	-6%	16%	11%
Occupational Therapist I	05193	76	38	\$56,713	\$58,367	-3%	13%	29%

DHHS LABOR MARKET DATA SUMMARY
CALENDAR YEAR 2006 UPDATE

Benchmark Job	Schematic	Salary Grade	No. of Employees	Average Salary	Average Market	Labor Market Pay Gap	Vol TO Rate 12/06	Vacancy Rate 12/06
Occupational Therapy Assistant II	05192	67	14	\$40,849	\$41,333	-1%	29%	12%
Office Assistant IV	00404	59	334	\$29,598	\$32,033	-8%	6%	10%
Personnel Analyst I	01821	70	14	\$46,096	\$42,697	7%	15%	0%
Pharmacist	04920	82	5	\$86,522	\$93,433	-8%	0%	0%
Pharmacy Technician	04829	60	48	\$29,396	\$25,795	12%	12%	17%
Physical Therapist II	05184	78	25	\$64,899	\$62,400	4%	7%	37%
Physical Therapy Assistant I	05181	64	8	\$37,879	\$41,867	-11%	13%	0%
Physician Extender II	04890	81	32	\$70,971	\$74,659	-5%	3%	11%
Physician III – A	04906	NG	65	\$143,033	\$150,620	-5%	11%	2%
Physician III – B	04907	NG	68	\$152,401	\$167,481	-10%	15%	19%
Public Health Disease Control Spec I	05627	65	21	\$31,264	\$34,611	-11%	36%	23%
Public Health Physician II	04936	NG	5	\$113,882	\$123,704	-9%	20%	17%
Public Health Program Consultant I*	01632	70	40				5%	9%
Public Safety Officer (Banded)	15830		36	\$33,916	\$37,818	-12%	23%	9%
Rehabilitation Counselor I	04117	68	164	\$37,177	\$41,580	-12%	21%	10%
Rehab Engineer	08536	73	22	\$51,849	\$45,216	13%	5%	9%
Rehabilitation Therapist	05163	63	123	\$30,792	\$31,399	-2%	7%	7%
Rehabilitation Therapy Technician	05153	58	63	\$26,103	\$23,492	10%	15%	11%
Senior Psychologist I	04555	78	41	\$70,491	\$65,736	7%	10%	18%
Social Services Pgm Consultant II*	04036	71	54				4%	13%
Social Worker III	04033	69	109	\$40,868	\$44,498	-9%	3%	0%
Speech and Language Pathologist I	05103	73	54	\$53,399	\$61,126	-14%	19%	30%
Staff Psychologist II	04553	73	98	\$51,958	\$50,679	2%	14%	11%
Substance Abuse Counselor II	04058	66	17	\$36,256	\$38,170	-5%	14%	48%
Therapeutic Recreation Specialist I	05156	68	41	\$35,450	\$35,815	-1%	15%	20%
Vehicle Operator I	07102	53	54	\$23,852	\$20,443	14%	6%	4%
X-Ray Technician II	04672	65	14	\$38,626	\$45,020	-17%	8%	0%
Youth Program Assistant I	33628	61-T	161	\$27,788	\$23,343	16%	12%	5%
			8,400				.	
* Insufficient market data								